

12855-A
RECORDATION NO. Filed 1425

July 6, 1981

JUL 21 1981 .9 40 AM

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D. C. 20423

CERTIFIED MAIL--
RETURN RECEIPT
REQUESTED

Re: General Loan and Security Agreement

Dear Sir:

Enclosed for filing and recording pursuant to 11 U.S.C. §11303 are an original and two certified copies of a Chattel Mortgage, Assignment and Security Agreement relating to the following parties:

A. E. (Gene) Cuvelot
1724 Juliet Avenue
Saint Paul, Minnesota
Mortgagor/Debtor

W. E. Elsholtz
2 Ski Lane
North Oaks, Minnesota
Mortgagor/Debtor

Liberty State Bank
Post Office Box 43975
Saint Paul, Minnesota 55164
Mortgagee/Secured Party

1-202AC16
No.
JUL 21 1981
Date.....
Fee \$..50.00
ICC Washington, D. C.

RECEIVED
JUL 21 10 32 AM '81
I.C.C.
FEE OPERATION BR.

The railroad equipment covered by the enclosed Chattel Mortgage, Assignment and Security Agreement is described, in general as

One (1) 4700 cubic foot capacity, 100-ton covered hopper car bearing the reporting marking PLMX 12599, jointly owned by A. E. (Gene) Cuvelot and W. E. Elsholtz and managed under the terms of an agreement (the "Management Agreement") between those two owners and PLM Investment Management, Inc. (formerly known as PLM Railcar Management,

Secretary of the Interstate
Commerce Commission
July 6, 1981
Page Two

Inc.). The Management Agreement was
assigned recordation No. 12855 on
February 3, 1981.

The undersigned is an executive officer of Liberty State
Bank and has knowledge of the matters as set forth herein.

Please return the original to:

William J. Joanis, Esq.
Kutak Rock & Huie
700 Pillsbury Center
Minneapolis, Minnesota 55402

Also enclosed please find our check for \$50 in the pay-
ment of your fee.

Very truly yours,

Liberty State Bank
by David R. Jesler
Pres

Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

7/22/81

OFFICE OF THE SECRETARY

William J. Joanis, Esq.
Kutak Rock & Huie
700 Pillsbury Center
Minneapolis, Minnesota 55402

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/21/81 at 10:40am, and assigned re-recording number(s). 12855-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

12855-A

RECORDATION NO. 1425

JUL 21 1981 10 40 AM

INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE,
ASSIGNMENT AND SECURITY AGREEMENT

by and between

LIBERTY STATE BANK

and

A. E. (GENE) CUVELOT

and

W. E. ELSHOLTZ

Dated as of May 1, 1981

One 100-Ton Covered Hopper Car

Filed and recorded with the Interstate Commerce Commission pursuant to Section 11303 of the Interstate Commerce Act on _____, 1981, at _____ .m., and assigned recordation number _____.

CHATTEL MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT

A. E. (Gene) Cuvelot and W. E. Elsholtz (herein together called the "Debtors" and individually called "Debtor"), in consideration of the granting by Liberty State Bank, a Minnesota banking corporation (herein called the "Bank"), of certain loans to the Debtors in the aggregate original principal amount of \$32,000 for which the Debtors have issued to the Bank their separate notes (herein called the "Notes"), each in the original principal amount of \$16,000, due on demand, and bearing interest at the rate of 17-1/2% per annum, and in order to secure the payment of the principal and interest on the Notes and the performance and observance of all the covenants and conditions contained in this chattel mortgage, assignment and security agreement (herein called the "Security Agreement") (all such Notes, liabilities and obligations are herein called "Secured Obligations"), do jointly and severally hereby sell, convey, warrant, mortgage, assign, pledge, grant a security interest in and lien upon, and hypothecate to the Bank, its successors and assigns, the following described properties, rights, interests and privileges (all of such properties, rights, interests and privileges hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral"):

a. railroad equipment consisting of one (1) 4,700 cubic foot capacity, 100-ton covered hopper car, bearing the reporting marking PLMX 12599 together with all accessories, equipment, parts and appurtenances attached to such railroad equipment, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and additions, improvements to such railroad equipment (herein called the "Equipment");

b. all right, title and interest of each of the Debtors, as lessor in any leases of the Equipment, including but not limited to any and all leases entered into in connection with and managed under the terms of that certain agreement between the Debtors and PLM Investment Management, Inc. (formerly known as PLM Railcar Management, Inc. and also sometimes called PLM, Railcar Management, Inc.), dated as of December 30, 1980 (herein called the "Management Contract"), to and any

and all rents and other sums due and to become due pursuant to said leases, including any and all extensions and renewals of such leases, insofar as the same cover or relate to the Equipment; it being the intent and purpose hereof that the assignments and transfer to the Bank of the rents and other sums to become due under the leases shall be effective and operative immediately and shall continue in full force and effect and the Bank shall have the right to collect and receive such rents and other sums and to apply the same in payment of the Notes, and that notwithstanding this assignment or any subsequent assignment, all obligations of the Debtors under the leases in respect of the Equipment subject thereto shall be enforceable against the Debtors and not against the Bank, and the right of the Bank to the payment of assigned rentals and other sums, if pursuant to a lease hereunder, shall not be subject to any defense, counterclaim or set-off which any lessee may have against the Debtors; and

c. all right, title and interest of each of the Debtors in and to the Management Contract.

Each Debtor, jointly and separately, represents, warrants and agrees that:

1. The Debtors have title to the Collateral free and clear of all liens and encumbrances other than that the Collateral is subject to the terms and conditions of the Management Contract and from time to time is or may be subject to the terms of certain leases entered into in connection with and managed under the terms of the Management Contract.

2. No financing statement, chattel mortgage, nor other security agreement covering any of the collateral is filed in any public office.

3. Each Debtor will at any time or times hereafter, execute such financing statements, applications for certificates of title, and other instruments and perform such acts as the Bank may request to establish and maintain an attached, perfected and first priority security interest in the Collateral and will pay all costs of filing and recording. A carbon, photograph or other reproduction of this Security Agreement shall be sufficient as a financing statement.

4. Each Debtor will keep the Collateral in good condition and insured against such risks and in such amounts as required by the Bank.

5. Each Debtor will not sell, transfer, lease, grant any security interest in or dispose of the Collateral, or attempt to offer to do any of the foregoing, without the prior written consent of the Bank. No provisions contained in this Security Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in this paragraph. Unless and until a case under Title 11 United States Code is commenced by or against each Debtor, a default or Event of Default has occurred under any of the documents or instruments evidencing or relating to the Secured Obligations or a part thereof or each Debtor fails to comply with any of the terms hereof, is in default hereunder each Debtor may utilize Collateral constituting "Cash Collateral" within the meaning of 11 U.S.C. § 363. Upon the occurrence of an event identified in this section all rights of each Debtor to utilize "Cash Collateral" or sell Collateral shall automatically terminate.

6. The Bank shall have the authority, but shall not be obligated to: (a) notify any or all Account Debtors (as that term is defined in the Uniform Commercial Code) including without limitation PLM Investment Management, Inc., its successors or assigns of, the existence of the Bank's security interest and require such Account Debtors to pay or remit all sums due or to become due directly to the Bank or its nominee; (b) place on any Chattel Paper received as Proceeds a notation or legend showing the Bank's security interest; (c) in the name of each Debtor or otherwise demand, collect, receive and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral; (d) take any action which the Bank may deem necessary or desirable in order to realize on the Collateral, performance of any contract including without limitation the Management Contract and endorsement in the name of either or both Debtors of any checks, drafts, notes, or other instruments or documents received in payment of or on account of the Collateral.

7. The Debtor has obtained the consent of Plan Investment Management, Inc., as required by Section 16(e) of the Management Contract, to the transactions contemplated by this Security Agreement.

8. Whenever a default in the terms governing payment or performance of any of the Secured Obligations shall exist or any breach of any obligation by either or both Debtors shall have occurred hereunder or an event of default shall have occurred pursuant to this Security Agreement, or a case may be commenced by or against each Debtor under Title 11 United States Code, or the Management Contract shall be terminated or amended without the prior written consent of the Bank, unless and only except to the extent prevented by law, the Bank may, at its option and without demand or notice, in addition to the rights and remedies granted hereby or under any instruments evidencing or relating to any of the Secured Obligations, exercise all rights and remedies of a secured party under the Uniform Commercial Code or the Interstate Commerce Act and the rules and regulations thereunder or any other applicable law. If a disposition of Collateral by the Bank occurs, the proceeds of such disposition shall be applied in such order of application as the Bank may elect. By this provision each Debtor specifically grants to the Bank the right to apply such proceeds to reasonable attorneys' fees and expenses of all types incurred by the Bank or its attorneys in connection with negotiation with either or both Debtors, their representatives, successors or assigns or collection of present or future Secured Obligations, repossession or disposition of Collateral, any reorganization or liquidation of either Debtor or any third party, or establishment or protection of the Bank's position or lien upon the Collateral.

9. Each Debtor specifically grants to the Bank the right to retain or set off against obligations of the Bank under accounts or certificates or like documents evidencing indebtedness of the Bank to such Debtor all sums up to the unpaid balance of all Secured Obligations together with a reasonable reserve for expenses identified in Section 8 hereof.

10. Each Debtor, by entering into this Security Agreement and negotiating the terms hereof, voluntarily, intelligently and knowingly, waives any rights he may have to demand any notices other than those provided for herein and any right to a hearing as a condition precedent to the Bank's exercise of its rights to foreclose on any Collateral covered by this Security Agreement.

11. Each Debtor agrees, in the event of foreclosure of the security interest created hereunder to make the Collateral available to the Bank at a location designated by the Bank.

12. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if deposited in the United States Postal Service at least ten (10) days before such disposition, postage prepaid, addressed to each Debtor at the address for each such Debtor last known to the Bank. Such deposit shall be established by affidavit of a representative of the Bank, receipts or other reasonable method.

13. No delay or failure by the Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

14. This Security Agreement and the rights and obligations of the parties hereunder shall be construed and governed by the laws of the State of Minnesota.

Executed and delivered at St Paul, Minnesota,
this 1ST day of May, 1981.

A. E. (Gene) Cuvelot
A. E. (Gene) Cuvelot

W. E. Elsholtz
W. E. Elsholtz

LIBERTY STATE BANK

By David R. Jesler
Its Treas

STATE OF MINNESOTA)
COUNTY OF Ramsey) : ss.

18th The foregoing instrument was acknowledged before me this day of June, 1981, by A. E. (Gene) Cuvelot.

James E. Affolter
Notary Public



JAMES E. AFFOLTER
NOTARY PUBLIC - MINNESOTA

RAMSEY COUNTY
My Commission Expires Aug. 27, 1982

STATE OF MINNESOTA)
COUNTY OF Ramsey) : ss.

16th The foregoing instrument was acknowledged before me this day of June, 1981, by W. E. Elsholtz.

Michaelene Magnuson
Notary Public



MICHAELENE MAGNUSON
NOTARY PUBLIC - MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXP. MAR. 20, 1986

STATE OF MINNESOTA)
COUNTY OF) : ss.

18th The foregoing instrument was acknowledged before me this day of June, 1981, DAVID R. FESLER, the PRESIDENT of Liberty State Bank, a Minnesota banking corporation, on behalf of the corporation.

Susan J. Hauer
Notary Public



SUSAN J. HAUER
NOTARY PUBLIC - MINNESOTA
RAMSEY COUNTY
My Commission Expires Sept. 29, 1984

CERTIFICATION

I, DAVID R. FESLER, the PRESIDENT
of Liberty State Bank, do hereby certify that attached hereto
is a complete, true and correct copy of the original Agreement
executed by Liberty State Bank and A. E. (Gene) Cuvelot and
W. E. Elsholtz as of May 1, 1981.

IN WITNESS WHEREOF, I have hereunto set my hand this
8TH day of JULY, 1981.

NO
(Seal)

David R. Fesler